BUYER'S GUIDE

TO BUYING REAL ESTATE IN THE BAHAMAS





BAHAMAS REAL ESTATE GUIDE FOR BUYERS

Are you ready to Purchase Real Estate in The Bahamas? Purchasing real estate is one of the most important decisions you'll make for your family, and having an advocate to guide you through the process is paramount to a successful transaction. Our Coldwell Banker Lightbourn Realty team consists of over 40 licensed Bahamas Real Estate agents strategically positioned throughout our island chain. We understand more than anything the importance of listening to your goals in order to guide you through the entire process seamlessly from start to finish. Our wealth of knowledge about local market trends is key to helping you choose the right property, while negotiating the best possible purchase price, and assisting you with your closing. Let us help you find HOME.

INFORMATION ON PURCHASING REAL ESTATE IN THE BAHAMAS

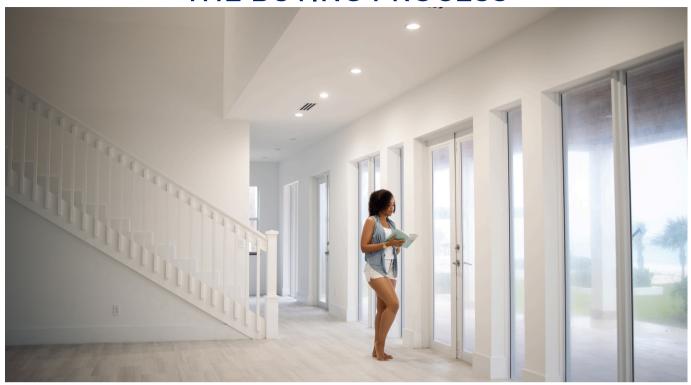
UNDERSTANDING OUR LIST PRICES

Real Estate in The Bahamas is listed on a "gross" basis as established by the Bahamas Real EstateAssociation (BREA), which includes the Seller's fees. Upon completion, Purchasers will typically pay half ofthe Government VAT tax on the conveyance as well as their Legal Fee plus 12%VAT on the legal fee.

Additional fees incurred by the Purchaser may include and are not limited to: stamp duty on a mortgage, converting funds from Bahamian to U.S. currency if required and vice versa, appraisal fees, inspection costs and legal disbursements. Prices are noted either in \$B or \$US dollars



THE BUYING PROCESS



Where do you begin? Once you have been paired with your Coldwell Banker Sales Agent, they will work closely with you to find you the right property. Our agents have the ability to create an account for you on our local MLS (Multiple Listing Service) with appropriate parameters set to your specific search criteria, in order to keep you informed instantly when a suitable listing hits the market. Our agents have the ability to represent you on any listing in The Bahamas, listed with any other local agency, as your exclusive Buyer's agent.

You found the perfect property, what now? Once we have successfully negotiated a deal on the perfect property for you, you will typically be expected to place a 10% deposit, upon signing a formal sales agreement, with your local Bahamian attorney. Your deposit will then be forwarded to the Seller's Bahamian Attorney to be held in escrow pending completion.

What about inspecting the property? While not required by most banks, inspections are becoming more common for peace of mind when purchasing a developed property and for some loans. There are numerous inspectors or contractors in The Bahamas who can furnish you with a detailed report on your property of choice.

What about Securing Financing on My Purchase? The Bahamas has a wide variety of local and International banks offering a range of mortgages with competitive interest rates. Your Coldwell Banker Sales Agent will recommend the best lender to suit your personal needs to successfully complete your transaction.

How long does the closing process typically take? The closing process can be as quick as 30 days when there is no financing involved, but a typical closing period in The Bahamas is between 60-90 days. Your Coldwell Banker Sales Agent will keep in touch with you and your attorney during the closing period to ensure the process from start to finish runs smoothly.

BAHAMAS REAL ESTATE TRANSACTION COSTS

GOVERNMENT VAT TAX:

Purchasers will pay half of the Government VAT tax on a typical "gross" transaction as follows:

- VAT tax is charged at 2.5 % on all real estate transactions valued under \$100,000, the Purchaser therefore pays 1.25%
- VAT tax is charged at 10% on all real estate transactions valued at \$100,000 and over, the Purchaser therefore pays 5%.
- The VAT tax is typically charged on the Purchase Price, however, this is subject to review by Inland Revenue who likely request an appraisal to reflect market value upon closing.
- Exemptions: First Time Bahamian Home Buyers may apply for their half of the Government VAT tax to be exempt upon completion for Purchases of properties valued at \$500,000 or less.

ANNUAL REAL PROPERTY TAX RATES For Residential Property

- · The first \$250,000 on owner occupied residential property is tax exempt. The owner must reside in their property, at a minimum, on a seasonalbasis.
- · On the value of owner/occupied properties between \$250,000 and \$500,000, the rate is 3/4 of one percent.
- · On the portion over \$500,000, the tax rate is 1% of the market value of the property.
- · As of 2019, there is a ceiling of \$60,000 on an owner occupied home
- · For unimproved Bahamas property other than that exempt under the provisions of the Real Property Tax Act (section 39):
- \cdot Upon that part of the market value that does not exceed \$7,000 a fee of \$100.00
- · Upon that part of the market value which exceeds \$7,000, a tax rate of 1.5% per annum of the market value of the Bahamas property.

For Commercial Property

Upon that part of the market value that does not exceed \$500,000 a tax at the rate of 1% perannum of the market value

· Upon that part of the market value in excess of \$500,000 a tax at the rate of 2% of the market value of the Bahamas property.

Exemptions:

- · Bahamas property owned by Bahamians and situated in the Family Islands is exempt from annual property tax.
- · Bahamas property approved as commercial farm land (by the Ministers of Agriculture, Trade and Industry and Finance) is also eligible for property tax exemptions.
- · Unimproved Bahamas property owned by Bahamians (in New Providence or the Family Islands), meaning property without physical additions or alterations, or any works benefiting the land which have not increased the market value thereof by \$5,000 or more;
- · Bahamas property used exclusively for charitable or public service from which no profit is derived.
- · All property located in Freeport, Grand Bahama.

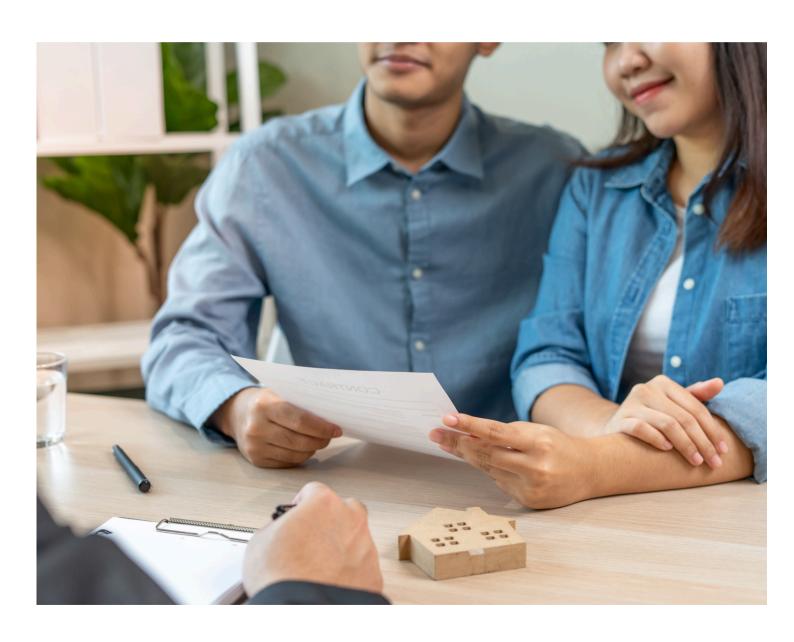
A 12 % Value Added Tax (VAT) is charged on real estate services, including appraisals, commissions and legal fees.

OWNER-OCCUPIED RENTALS:

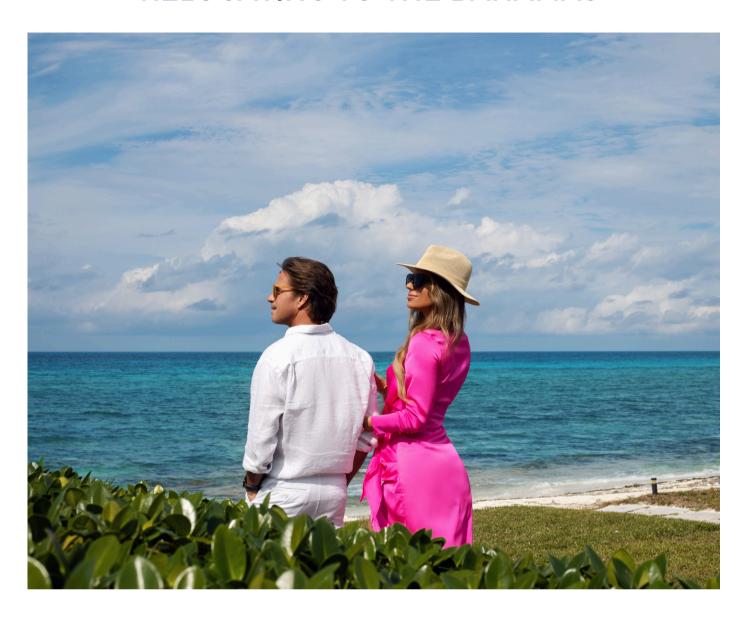
Proprietors of owner-occupied rental homes of one or more bedrooms are required to register if they intend to rent their premises to visitors. Owner occupiers must reside in their home for six months or more per year if they wish to retain owner-occupied status. Licenses to rent are available through the local Family Island Administrator's Office, or the Hotel Licensing Department of the Bahamas Ministry of Tourism and Aviation in Nassau, Bahamas.

COMPLIANCE AND DUE DILIGENCE REQUIREMENTS (FTRA)

In May 2018, The Bahamas Government passed legislation known as the Financial Transactions Reporting Act 2018 (FTRA) in order to maintain a culture of compliance. As a result of this Act, Real Estate Brokers are required by law to carry out due diligence of their clients. Upon engaging us to represent you in the purchase or sale of real estate, we will require you to complete our COD (Client Due Diligence) paperwork.



RELOCATING TO THE BAHAMAS



Welcome to The Bahamas. Our islands are comprised of 700 islands and over 2,000 rocks and cays spread over 100,000 square miles of ocean. Starting just 50 miles off the coast of Florida, our archipelago is an ecological oasis, boasting powder soft pink and white sand, and crystal clear water.

Of our 700 islands, only around 30 are inhabited. Most expats relocating to The Bahamas full time for workand International Schooling find themselves settling on the island of New Providence, home to our country'scapital, Nassau.

For those looking for that quiet, laid back island lifestyle, a vacation home or a place to retire, our more se cluded and slow paced Out Islands are ideal. Home to approximately 15% of our overall population, each island has its own unique character, culture and lifestyle. Many of these islands offer everything you need for long term residence including schools, healthcare facilities, boutique and large resorts, local or international ferry services and International airports.

TAXES

One of the Bahamas' key attractions is its tax friendly environment. The Bahamas does not levy taxes oncapital gains, corporate earnings, personal income, sales, dividends or inheritance taxes. We are a consistent choice for buyers seeking a tax haven while enjoying a peaceful, idyllic island lifestyle.

VISAS

Visas are not required of citizens of the USA, United Kingdom, or Canada provided their stay does notexceed 3 weeks and that they have a return ticket leaving the Bahamas. Visas are not required of US citizens if stays are less than 8 months. Bahamas Immigration Department permits are needed to reside, work or engage in any business.

WORK PERMITS

Working in the Bahamas for non-Bahamians requires a long-term work permit should you wish to reside longer than 90 days. Work permits are generally granted for highly specialized skills which can't be fulfilled by a Bahamian.



RESIDING IN THE BAHAMAS

Permanent and Annual Residency permits are available for non-Bahamian homeowners through ourDepartment of Immigration under the International Persons Landholding Act of The Bahamas

Bahamas Permanent Residency:

A Certificate of Permanent Residence is a document of legal status, which is issued to an individual for the duration of his/her life, unless revoked. Financially independent individuals or investors who are legitimate owners of a residence in The Bahamas may apply. Major international investors and owners of residences valued at \$750,000 and above will receive speedy consideration for their Permanent Residency Permits.

Purchasing Bahamas Real Estate in order to obtain Permanent Residency is one of our strongest BahamasReal Estate markets as the Permanent Residency Permit grants the investor and their dependents the rightto reside in The Bahamas indefinitely, while enjoying significant tax advantages for most foreign investors.

Permanent Residency status may be applied for upon completion of your real estate transaction. The government fee for the permanent residence permit is a one-time fee of teen thousand Bahamian dollars (B\$15,000) and twenty-five Bahamian Dollars (B\$25) for each dependent together with a \$200 non-refundable processing fee and any legal fees (generally \$5,000 minimum plus disbursements)

Bahamas Annual Residency/Permit to Reside:

Non-Bahamian nationals who are desirous of living for any purpose other than working in the Bahamas, must seek authorization from the Department of Immigration. This comes in the form of a Permit to Reside, also commonly known as an Annual Permit.

Annual residency cards are available to homeowners owning Bahamian Real Estate at any price point and can be renewed annually, or up to every three years (sometimes up to 5 years depending on the circumstances). This annual residency card allows the permit holder and their dependents to reside in The Bahamas for the duration of the permit.

Applicants must be of good character, show evidence of financial support and commit in writing they wishto live permanently in the Bahamas. Wives and dependent children (under 18 years) resident in a household may also be endorsed on the certificate when the original application is made. Holding a Bahamas Residency Permit also expedites the immigration process at all Bahamian ports of entry and allows for ease of travel throughout our Bahamian islands.

The Government Fee for this permit is two thousand Bahamian Dollars (B\$2,000) for the head of the household and twenty-five Bahamian Dollars (B\$25) for each dependent together with a \$200 non-refundable processing fee and legal fees (generally \$2,500 minimum plus disbursements).

A Home Owner's Identification Card:

The Home Owner's Identification Card is a type of Residence Permit that is issued in accordance with the International Persons Land Holding Act - Chapter 140. This type of residence status facilitates the entry of persons who lawfully own a primary residence in their country of origin and also own a residence in The Bahamas. A Home Owner's Identification card is available for all owners at all price points. There is a non-refundable \$200 processing fee.



LET US GUIDE YOU HOME

HOME. It's the most important thing in our lives. It's the place we long for at the end of the day, and the place that holds all we love and everything we cherish. And it's our agents' mission to bring the joy of home to every one of our clients with unrivaled expertise, passion and energy. Let our Coldwell Banker Lightbourn Realty Real Estate experts guide you home to your very own Bahamian oasis.

